

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES
TOWN OF BESSIE, OKLAHOMA &
BESSIE PUBLIC WORKS AUTHORITY
JUNE 30, 2013**

**TOWN OF BESSIE, OKLAHOMA &
BESSIE PUBLIC WORKS AUTHORITY**

JUNE 30, 2013

TABLE OF CONTENTS

Town Officials

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

Exhibits

Summary of Changes in Fund BalancesExhibit 1-00

Town of Bessie, Oklahoma

Budgetary Comparison Schedule - Cash Basis

General Fund.....Exhibit 2-00

Town of Bessie, Oklahoma

Budgetary Comparison Schedule - Cash Basis

Fire Department Fund.....Exhibit 3-00

Bessie Public Works Authority

Statement of Revenues, Expenses and Changes

in Fund Net Assets - Proprietary Funds.....Exhibit 4-00

Bessie Public Works Authority

Statement of Cash Reserve Accounts

Proprietary Funds.....Exhibit 5-00

**TOWN OF BESSIE, OKLAHOMA &
BESSIE PUBLIC WORKS AUTHORITY**

TOWN OFFICIALS

JUNE 30, 2013

Board of Trustees

Mayor	Al J Trowbridge
Councilman	Violet McClanahan
Councilman	Rebecca Jones

Town Treasurer

Marilyn Dudgeon



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Specified Users of the Report:

Town Board, Town of Bessie
Bessie, Oklahoma

Trustees of the Bessie Public Works Authority
Bessie, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture
Rural Development
Hobart, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances of the Town of Bessie, Oklahoma and Bessie Public Works Authority as of and for the fiscal year ended June 30, 2013, and the related Budgetary Comparison Schedules of the General Fund and Fire Department Fund - Cash Basis, Statement of Revenues, Expenses and Changes in Fund Net Assets of the Proprietary Fund, and the Statement of Cash Reserve Accounts of the Proprietary Fund as of and for the fiscal year ended June 30, 2013, included in the accompanying prescribed form. We have not audited or reviewed the prescribed financial statements and, accordingly, do not express an opinion or provide any assurance about whether the prescribed financial statements are in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The management of the Town of Bessie, Oklahoma and Bessie Public Works Authority is responsible for the preparation and fair presentation of the prescribed financial statements in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the prescribed financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supporting information as prescribed by Oklahoma Statutes that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the prescribed financial statements.

These prescribed financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which differ from accounting principles generally accepted in the United States of America. Accordingly, these prescribed forms are not designed for those who are not informed about such differences.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Bessie Public Works Authority in meeting their financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Bessie is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the Town of Bessie, Oklahoma as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (See accompanying Exhibit 1-00) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances noted.

2. Procedures Performed: From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (See accompanying Exhibit 2-00 and 3-00) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: No instances noted.

3. Procedures Performed: We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances noted.

4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: At June 30, 2013, the collateral pledged by the Bank of Western Oklahoma, Cordell, Oklahoma was insufficient to cover the Town's cash in bank balances by \$15,612.42. The Town should obtain collateral pledges from all banks with whom it maintains a cash in bank balance over the \$250,000 FDIC coverage.

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: On December 28, 2012, the Town of Bessie, Oklahoma received a \$25,000 donation from ONEOK Services that was subsequently deposited into the Fire Department Fund. Prior to receiving this donation, the Town Board of Bessie, Oklahoma took a board action in an open meeting that required this donation to be deposited into the General Fund of the Town. As of June 30, 2013, this deposit error had not been corrected by the Town. The Town must immediately move this \$25,000 from the Fire Department Fund into the General Fund to correct this error and be in compliance with the board action.

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances noted.

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances noted.

As to the Bessie Public Works Authority as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (See accompanying Exhibit 4-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances noted.

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances noted.

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances noted.

4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances noted.

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances noted.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL, AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
September 11, 2013

Town of Bessie, Oklahoma &
Bessie Public Works Authority
Summary of Changes in Fund Balances
For the Year Ended June 30, 2013

<u>Town:</u>	Beginning of Year Fund Balance	Receipts	Disbursements	Transfers & Adjustments	End of Year Fund Balance
General Fund	\$ 166,368.87	\$ 136,912.75	\$ 138,370.07	\$ 0.00	\$ 164,911.55
Street and Alley Fund	59,156.23	1,902.16	2,790.14	0.00	58,268.25
Fire Department Fund	23,483.18	104,973.07	53,065.48	0.00	75,390.77
Grant Fund	0.00	0.00	0.00	0.00	0.00
School Memorial	337.54	0.00	18.99	0.00	318.55
Town Subtotal	<u>249,345.82</u>	<u>243,787.98</u>	<u>194,244.68</u>	<u>0.00</u>	<u>298,889.12</u>
<u>Enterprise Funds:</u>					
Bessie Public Works Authority	<u>496,349.76</u>	<u>21,848.12</u>	<u>41,306.46</u>	<u>0.00</u>	<u>476,891.42</u>
Enterprise Funds Subtotal	<u>496,349.76</u>	<u>21,848.12</u>	<u>41,306.46</u>	<u>0.00</u>	<u>476,891.42</u>
Grand Total	<u>\$ 745,695.58</u>	<u>\$ 265,636.10</u>	<u>\$ 235,551.14</u>	<u>\$ 0.00</u>	<u>\$ 775,780.54</u>

See Accountant's Report.

Town of Bessie, Oklahoma
 Budgetary Comparison Schedule - Cash Basis
 General Fund
 For the Year Ended June 30, 2013

Revenues	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Sales Tax	\$ 14,728.60	\$ 14,728.60	\$ 16,051.50	\$ 1,322.90
Water	36,447.15	36,447.15	40,978.69	4,531.54
Garbage	30,408.39	30,408.39	34,391.38	3,982.99
Fees and Penalties	2,068.13	2,068.13	1,449.28	(618.85)
Interest	0.00	0.00	472.93	472.93
Alcohol Beverage Tax	1,834.49	1,834.49	2,344.86	510.37
Cigar Tax	209.91	209.91	207.85	(2.06)
Franchise Tax	6,066.32	6,066.32	5,902.08	(164.24)
Insurance Reimbursement	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	134.07	134.07
Rental Income	132.30	132.30	0.00	(132.30)
Oil and Gas Income	0.00	0.00	33,392.54	33,392.54
Donations	0.00	0.00	0.00	0.00
SWODA REAP Grant	0.00	0.00	0.00	0.00
Proceeds from Sale of Equipment	0.00	0.00	0.00	0.00
Total Revenues	91,895.29	91,895.29	135,325.18	43,429.89
<u>Expenditures</u>				
Personal Services	25,000.00	25,000.00	22,529.52	2,470.48
Maintenance and Operations	172,363.24	172,363.24	107,560.55	64,802.69
Capital Outlay	50,000.00	50,000.00	8,280.00	41,720.00
Total Expenditures	247,363.24	247,363.24	138,370.07	108,993.17
Excess Revenues Over (Under)				
Total Expenditures	(155,467.95)	(155,467.95)	(3,044.89)	152,423.06
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	(1,000.00)	(1,000.00)	0.00	1,000.00
Net Other Financing Sources (Uses)	(1,000.00)	(1,000.00)	0.00	1,000.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(156,467.95)	(156,467.95)	(3,044.89)	153,423.06
Budgetary Fund Balance, Beginning	156,467.95	156,467.95	156,467.95	0.00
Budgetary Fund Balance, Ending	\$ 0.00	\$ 0.00	153,423.06	\$ 153,423.06
Adjustments to Conform with GAAP:				
Revenue Accruals			11,488.49	
Fund Balance, End of Year (GAAP Basis)			\$ 164,911.55	

See Accountant's Report.

Town of Bessie, Oklahoma
 Budgetary Comparison Schedule - Cash Basis
 Fire Department Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Miscellaneous	0.00	0.00	0.00	0.00
Donations	0.00	30,000.00	70,961.97	40,961.97
Fund Raisers	0.00	0.00	29,526.75	29,526.75
State Funding Revenue	0.00	4,484.35	4,484.35	0.00
Total Revenues	0.00	34,484.35	104,973.07	70,488.72
<u>Expenditures</u>				
Maintenance and Operations	23,483.18	47,967.53	45,473.52	2,494.01
Capital Outlay	0.00	10,000.00	7,591.96	2,408.04
Total Expenditures	23,483.18	57,967.53	53,065.48	4,902.05
Excess Revenues Over (Under) Total Expenditures	(23,483.18)	(23,483.18)	51,907.59	75,390.77
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(23,483.18)	(23,483.18)	51,907.59	75,390.77
Budgetary Fund Balance, Beginning	23,483.18	23,483.18	23,483.18	0.00
Budgetary Fund Balance, Ending	\$ 0.00	\$ 0.00	\$ 75,390.77	\$ 75,390.77

See Accountant's Report.

Bessie Public Works Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2013

	Enterprise Fund
Operating Revenues:	
USDA Rural Business Enterprise Grant	\$ 0.00
USDA Rural Utilities Service Grant	0.00
Sewer Revenue	21,848.12
Rent	0.00
	<u>21,848.12</u>
Total Operating Revenues	
Operating Expenses:	
Personal Services	0.00
Maintenance and Operations	1,620.02
Depreciation	28,708.00
Rural Development:	
Interest Expense	10,978.44
	<u>41,306.46</u>
Total Operating Expenses	
Operating Income (Loss)	<u>(19,458.34)</u>
Non-Operating Revenues (Expenses):	
Interest Revenue	0.00
Gain or (Loss) on Sale of Equipment	0.00
	<u>0.00</u>
Total Non-Operating Revenues (Expenses)	
Income (Loss) before Operating Transfers	<u>(19,458.34)</u>
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	0.00
	<u>0.00</u>
Total Operating Transfers	
Net Income (Loss)	(19,458.34)
Net Assets - Beginning of Year	496,349.76
Prior Period Adjustments	0.00
	<u>0.00</u>
Net Assets - End of Year	<u>\$ 476,891.42</u>

See Accountant's Report.

Bessie Public Works Authority
Statement of Cash Reserve Accounts
Proprietary Funds
For the Year Ended June 30, 2013

	USDA Rural Development Cash Reserve Account
	<hr/>
Balance 7-1-12	\$ 7,109.50
Monthly Deposits	1,446.00
Interest	<hr/> 0.00
Balance 6-30-13	\$ <hr/> <hr/> 8,555.50

See Accountant's Report.